

ABSTRACT

The present invention provides an auction system that allows bond issue sales to be offered in an open and transparent manner, wherein, a certain percentage (up to 100%) of bonds in a bond issue can be offered to qualified bidders at a "buy now" pre-auction price, set by an
5 issuer and/or lead manager. Investors can be allowed to "bid some bonds out of the auction process" and thus guarantee their allocation and also allow bidders to participate in an open auction for other bonds. Bonds to be offered in a bond issue can include a subset of pre-auction price bonds and a subset of auction price bonds. The pre-auction price bonds are offered to pre-auction bidders at a pre-auction price, and auction bonds are generally sold to the highest bidder.
10 Pre-auction sales can serve as a catalyst for generating enthusiasm for an associated bond issue auction.